

Message Text

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PAGE 01 LIMA 02427 281408Z

51

ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 COME-00 DOTE-00 EB-11 FMC-04 CG-00

COA-02 DLOS-06 SWF-02 TRSE-00 OMB-01 STR-08 SAB-01

DRC-01 /151 W

----- 123314

R 281350Z MAR 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 9469

INFO USCINCSO

LIMITED OFFICIAL USE LIMA 2427

USCINCSO FOR POLAD

EO 11652: N/A

TAGS: PFOR, PN, PE

SUBJ: PERUVIAN VIEWS ON PROPOSED PANAMA CANAL TOLL INCREASE

REF: STATE 58007, 49678, LIMA 2028

1. DRAWING ON REFTELS, EMBASSY OFFICERS REMINDED FOREIGN TRADE OFFICIAL AT FOREIGN MINISTRY OF SCCN RESOLUTION AND NOTED THAT IF PERU WHISHES MAKE FURTHER PRESENTATION THIS SUBJECT IT SHOULD DO SO ABOUT APRIL 1 IN ORDER FOR USG TO TAKE ITS VIEWS INTO CONSIDERATION PRIOR TO MEETING OF PANAMA CANAL COMPANY BOARD ON APRIL 27. EMBASSY OFFICERS ALSO POINTED OUT THAT PERUVIAN PRESIDENT VELASCO HAD STATED PUBLICLY ON MARCH 13 THAT INCREASE IN TOLLS WOULD HAVE NO SIGNIFICANT IMPACT ON PERUVIAN ECONOMY (SEE LIMA 2028). OFFICIAL SAID HE WOULD CHECK WITH HIS SUPERIORS AND THAT GOP WOULD MAKE ANY FURTHER VIEWS KNOWN SOONEST.

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PAGE 02 LIMA 02427 281408Z

2. COMMENT: EMBASSY, BASING ITS CALCULATIONS ON

AMBASSADOR BERCHEMEYER'S LETTER TO MR PARKER OF FEBRUARY 13 IN WHICH PERUVIAN EMBASSY CALCULATED THAT 20 PERCENT INCREASE IN TOLLS WOULD INCREASE SEA FREIGHT COSTS BY 3 PERCENT, ESTIMATES THAT TOTAL IMPORT COST TO PERU WOULD INCREASE BY LESS THAN 0.2 PERCENT IF INCREASE APPROVED. SIMILARLY, MOST PRERUVIAN EXPORTS ARE PRICE INELASTIC, WITH EXCEPTION OF SOME NONTRADITIONAL GOODS, AND INCREASED FREIGHT COSTS WOULD BE NEGLIGIBLE FACTOR IN MARKETING EXPORTS. IN SUMMARY, THEN, EMBASSY CONCURS COMPLETELY WITH PRESIDENT VELASCO'S STATEMENT THAT IMPACT WOULD BE ON NO REAL CONSEQUENCE TO PERU, ALTHOUGH IT IS NOT UNLIKELY THAT GOP OFFICIALS MAY, EVEN IN THE FACE OF PRESIDENT'S STATEMENT, CONTINUE TO OPPOSE INCREASE.

BELCHER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: FOREIGN POLICY POSITION, INTERNATIONAL CANALS, TOLLS, FREIGHT RATES, IMPORT DATA
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Copy: SINGLE
Draft Date: 28 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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US Department of State
EO Systematic Review
30 JUN 2005

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